Secrt. II-27—100,000—28-5-48.

(195) Department.

No. SERIES.

G.O. No. 1144

Dated

[Despatch Abstract.]

Allowances - Journey allowances - Enhancement of the rates to the level of those of the Civil Wing - Petition by Sri V. Balakrishna M. E. A, Retd., Kozhikode.

GOVERNMENT OF MADRAS.
ABSTRACT.
**
LEGISLATIVE (ASSEMBLY) SECRETARIAT.

Resolution: Dated: 28--6--1952.

SRI V. BALAKRISHNAN, M.L.A.,
FINANCE DEPARTMENT.

No.25.

"This House recommends to the Government to increase the emoluments of the State Government Servants to the level of the emoluments of the Union Government Servants, in so far at least as the scale of dearness allowance - admissible is concerned".

/True copy/

Finance (E.I.)Department.

Copy submitted to Minister for Finance and Chief Minister for perusal. A note on the resolution will be submitted separately. The ballot for - resolutions has not yet been held. Even if this resolution succeeds in the ballot, it will come up only on a non-official day after the voting on the Budget has been completed(i.e. after 30-7-1952). Copy of a Legislative Council Question on the subject is put up at (W). The file relating to the question with a draft answer has been sent to (~~Since received Government from Public(Service) and being submitted separately~~) Public(services) for remarks. It will be circulated to M.(Fin) and C.M. on its receipt back from Public (Service)

Sd.xxx
8.7.52.

Sd.xxx
9.7.52.

/True copy/

(E.I.)
Finance/Department

Please see the Legislative Assembly Resolution notice of which has been given by Sri V. Balakrishnan on p. 1. C.f. It recommends to the Government to increase the emoluments of the State Government servants to the level of the emoluments of the Union Government Servants, in so far at least as the scale of dearness allowance admissible is concerned.

Advance copy of the resolution has been circulated to Minister for Finance and the Chief Minister. Contd.

9-7-52

It seems unlikely that a non-official day will be allotted before the closure of the present sittings of the Legislature. Even if a day is allotted, the resolution will come up for consideration only if it succeeds in the ballot.

2. The resolution refers to emoluments of State Government Servants. The M.L.A. seems to have in mind pay as well as compensatory allowances such as dearness allowance and house rent allowance. Though the resolution is to the effect that the - emolyments of State Government servants in so far at least as the scale of dearness allowance is concerned, may be raised to the level of Union Government servants, the M.L.A. may refer to pay and houserent allowances also. In a Joint Memorandum presented recently by the Secretariat and non-Gazetted Officers' Associations to the Chief Minister, - requests were made for the revision of pay-scales, dearness allowances and house-rent allowances, so as to bring them on a par with those of Central Government employees. The requests were considered in detail and it was decided that with the existing resources, it was not possible to grant the requests. Brief notes are given below in regard to pay, dearness allowances and house rent allowamce.

3. Scales of Pay: The scales of pay of non-gazetted Officers were revised in 1947 on the recommendations of the Salaries Committee which was a Sub-Committee of the Cabinet. The main factors taken into account by the Committee in making its recommendations were the duties and responsibilities attached to the several posts, the qualifications prescribed for them, the age limit and method of recruitment prescribed for them and the prospects of promotion to higher posts. The Committee had also in view the over-riding and limiting factor of finance. The question was also discussed by the Chairman of the Committee with the Chairman of the Central Pay Commission before the Committee finalised its recommendations. This revision cost the Government about Rs.2½ crores. The Committee were aware of the fact that the pay-scales of the Central Government employees were higher but they were of the opinion that those scales were based on the conditions of living in in Delhi and on the need for uniform pay-scales for the employees of the

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Central Government in all States. The reasons for which the Committee recommended scales of pay which are lower than those of the Central Government apply even now. Revision of the scales of pay of non-gazetted posts in the Secretariat alone, so as to bring them on a par with Central Secretariat scales is estimated to cost about ~~Rs.5~~ Rs.15 lakhs per annum. A general revision of scales of pay of all non-gazetted posts on similar lines will cost some crores of rupees. Under present financial conditions, a recurring liability of this magnitude cannot be undertaken.

4. Dearness Allowance:- To compensate for the high cost of living this Government allowed a compensatory cost of living allowance of Re.1 for the low paid employees (whose emoluments did not exceed Rs.30/- p.m.) from 1-8-1941 i.e. even before the Government of India took up this question. In 1942, the Government of India issued a dearness allowance scheme to their servants with effect from 1-8-1942, and advised the Provincial Governments to assimilate their own schemes withit, as far as local circumstances and finances would warrant it. On this suggestion, the compensatory cost of living allowance was replaced by a dearness allowance scheme and this scheme came into force from 1-8-1942. From this date upto March 1946, this Government fell in line with the Government of India in the matter of paying dearness allowance. On the recommendations made by the Central Pay Commission, the Government of India revised the rates of dearness allowance payable to their servants with effect from 16--8--1947, but this Government considered that the rates of dearness allowance for non-gazetted Government servants could not be revised as the extra cost would be enormous. Subsequently, consequent on numerous representations received from the Non-gazetted Officers Association and a detailed examination of the question with reference to Provincial finances, the Government increased the rates of Dearness Allowance in G.O.No.99, Finance, dated ~~29-1-49~~ 29--1--1948 with effect from 1--1--1948.

The Central Government again raised the rates of

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of the dearness allowance of low-paid men twice - once in 1949 and again in 1951. This Government did not increase the rates on those occasions. The rates of dearness allowance paid to the Central Government and the Madras State Employees (on similar pay limits) since 1948 compare as follows:-

Pay limit.	Rates of dearness allowance of			
	Central Government Employees.			Madras State Employees
	As on 1-1-1948	As on 1--1--1949	From 1-6-51.	From 1-1-48 on wards.
	Rs.	Rs.	Rs.	Rs.
Upto Rs.50	25	35	40	18 to 22
Rs.51 to 100	35	45	50	22 to 24
Rs.101 - 150	40	50	55	26 to 43
Rs. 151- 200	45	55	60	
Rs.201 - 250	50	60	65	44 to 59
Rs.251 - 300	60	60	65	

Since 1950, the Secretariat Association and the Non-gazetted Officers' Association have been representing that the rates sanctioned in 1948 are not adequate in view of the increase in the cost of living. The question whether any relief can be given to Non-Gazetted Officers was examined in connection with the Bedget for 1951-52. The Government found that enhancement of dearness allowance of non-gazetted Government servants by Re.1 would involve an extra expenditure of Rs.37 lakhs per annum (including grants to local bodies and managements of aided schools to enable them to give a similar increase to the teaching staff under them). In view of the difficult ways and means position, it was considered that enhancement of dearness allowance was not possible. The rates of house-rent allowance were, however, increased by Rs.2/- per mensem, and the scheme of house-rent allowance was extended to all municipal towns and taluk headquarters stations. The measure - involved an extra expenditure of about Rs 20 lakhs per annum.

In connection with a Joint Memorandum presented by the Non-Gazetted Officers and Secretariat Associations to the Chief Minister in 1952, this department again examined the question, and it was decided by the Government that the request could not be complied with in view of the large financial commitments involved. Contd.5

F.9.10.A

5. House Rent Allowances:- The rates of house rent allowances granted by this Government and the Central Government are shown below:-

	Rate of House Rent Allowance in Madras State.		Rate of House rent Allowance given by the Central Government.
1. Madras City.			
Pay Range.		Pay Range.	
Below Rs.40	Rs.7	Rs.35 to Rs.54	Rs.7
Rs.40 to Rs.80	9	Rs.55 to Rs.100	Rs.10
Rs.80 to Rs.150 (subject to marginal adjustment upto Rs,167)	10% subject to a minimum of Rs,10 plus Rs.2	Rs.101 to Rs.250	Rs.15
		Above Rs.251	7½% of pay.
II. Municipalities of Vijayawada, Guntur, Mangalore, Tiruchirapalli, Madurai and Visakhapatnam, (Eluru, Kakinada, Rajahmundry, Bandar Vijayanagaram, Nellore, Bellary, Vellore, Kancheepuram, Cuddalore Kumbakonam, Tanjore, Nagapattinam, Dindigul, Salem, Tuticorin, Palayamkottai, Tirunelveli, Kozhikode, Palghat, Chittoor, Cuddapah Kurnool and Anantapur)*			
Below Rs.40/-	Rs.5	upto Rs.100	Rs.7
Rs.40 to Rs.80	7	Above Rs.100	Equal to the amount by which pay falls short of 107.
Rs.80 to Rs.100	9		
Rs.100 to Rs.150 (subject to marginal adjustment upto Rs.162).	12		
III. Other Municipalities and Taluk Headquarters not included in II above.			
Upto Rs.150 (Subject to marginal adjustmentupto Rs.153).	Rs.3/-		Nil.

*(The Government of India are not giving house rent allowances to their officers in the municipalities mentioned within the brackets).

It will be observed from the above statement that the rates of house rent allowance admissible to Central Government servants are not very much higher than those given to Government servants of this State, though there is no pay limit for the grant of the allowance in the case of Central Government employees in Madras City. But even here, the adoption of Central Government scheme removing the payment of Rs.150/- may involve considerable extra Cost.

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As an increase of Rs.2/- in the rates and the extension of the scheme to certain new places was sanctioned in April 1951 at a cost of Rs.20/- lakhs p.a. it was held in connection with the joint Memorandum from the Services Associations that there was no case for further increase.

6. In the circumstances stated, above, it does not seem that any measures as contemplated in the Resolution can be taken. The Resolution may, therefore, be opposed.

7. The case may be circulated to the Minister for Finance, who will presumably reply to the Resolution. Chief Minister may also see (Advance copy was circulated to C.M.also).

Sd.xx/28-2-52.

Sd.ss(Fin).
29-7-52(M).

Sd.xx
30-7.52.

Finance (P.I.).

Please see the D.O.No.13291/52-1 M.L. dated 25th August 1952 from the Legislature (Assembly) Secretariat. As the Legislature Assembly has been prorogued, the papers may be recorded as a G.O.for future guidance.

Sd.xx/6-9-52.
-/True copy/

GOVERNMENT OF MADRAS
ABSTRACT.
G.O.MS.NO. 1144 Dated: 6--9--1952.

Allowance - Dearness Allowance - Enhancement of the rates to the level of those of the Union Government - Resolution by Sri V. Balakrishnan M.L.A., Papers Recorded.

Recorded.

/True copy/

Sd.xx
Secretary to Government.

R. Thiagarajan 15.10.52
SUPERINTENDENT.
MADRAS RECORD OFFICE.

SS/8.X.

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